



On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama. ARRA provides increased support to several existing federal programs administered by states, creates new programs such as the State Fiscal Stabilization Fund, and offers opportunities for states to apply for competitive grant programs.

The American Recovery and Reinvestment Act's significant investment in North Carolina totaled almost \$19.5 billion, including assistance for those needing help the most through increases in unemployment benefits, Medicaid payments, and food stamps. In addition to those expanded services, ARRA gives hundreds of thousands of working North Carolinians a break through tax credits like the *Making Work Pay* tax credit and the *First Time Homebuyer's* tax credit.

The Recovery Act is not like earlier attempts to revive the nation's economy. It is not only a one-time infusion of federal funds; instead it is a long-term effort to restore economic expansion in the short-term, as well as prepare the nation's economy for stable, healthy long-term growth. Under the terms of the Recovery Act, support for North Carolina's economy will include both investments made directly by the federal government and investments of federal funds that are made under the oversight of the North Carolina state government.

## American Recovery and Reinvestment Act Report, Clay County

Clay County received more than \$21 million in ARRA funding in grants, loans, and bonds. The following report outlines the various funding categories that contributed to the Clay County total.



**Water/Sewer Grants:**

1



**Small Business Jobs:**

5



**Appliances rebated:**

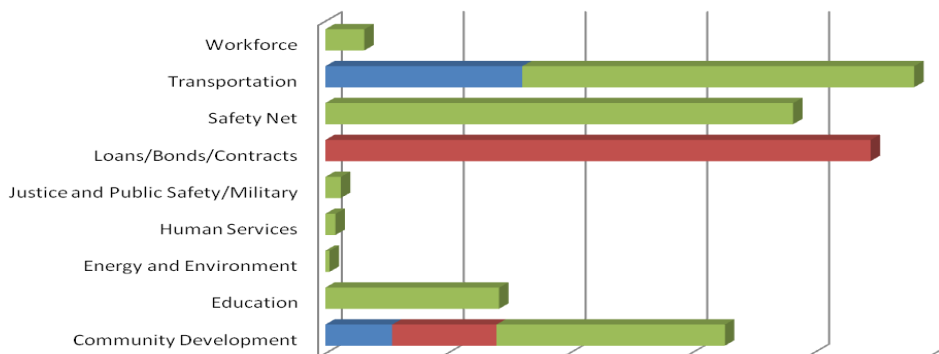
13



**Family homes financed:**

5

### Alexander County Totals



Sum of Prime Awards Sum of Sub-Awards Sum of Loans/Bonds

**Clay County,**  
pop 8,775 at a glance:

### Recovery Act Totals:

Grants: \$9,991,859

Loans: \$675,040

Bonds: \$11,000,000

**Total: \$21,666,899**



## Education

The Recovery Act placed a special emphasis on maintaining education funding. Governor Beverly Perdue furthered this commitment by pledging additional recovery funds from the Recovery Act to education, and leading North Carolina to additional funds by winning \$400 million in the Race to the Top program.

Most of the ARRA education funds are distributed to local schools through existing funding formulas. Special Education Funds and Title I funds go to schools based on eligible student enrollment. State Fiscal Stabilization Funds (SFSF) and the EduJobs grants were designed to hold schools harmless during the recession, and were distributed to public and charter schools. The school systems have spent the majority of the funds on staff and support. Some projects, such as Race to the Top, will be spent for purchasing products and services rather than salaries for staff.

Authorization for low/no interest bonds for school construction/renovation followed the Department of Public Instruction procedures with initial allotments to the school systems. If a school system could not utilize their allotment, it was released to other school systems that could utilize additional allotments.

**Clay County schools** received \$12.4 million in education funding, including \$289,497 in Special Education funds, \$154,306 in Title I funds, \$899,712 in SFSF funds, \$117,889 in Race to the Top funding and a \$11 million bond allocation.



## Family Assistance

The Federal Department of Agriculture increased funding to their Single-Family home program with the ARRA. These resources assisted families in achieving the American Dream of home ownership through direct financial assistance (grants) or credit (loan guarantees). This program pumped more than \$729 million into North Carolina, providing assistance to more than 5,400 families.

**In Clay County**, 5 families received assistance through this program totaling more than \$630,000.

The Department of Energy created the Energy Star Appliance rebate program to help stimulate the economy by incentivizing the purchase of new, more energy efficient appliances, and helping consumers by providing long-term savings from their utility bills. The State Energy Office in the North Carolina Department of Commerce managed the program insuring North Carolina residents and retailers received the maximum benefit from this opportunity. North Carolina retailers sold more than 25,500 new energy efficiency appliances through this program, and North Carolina residents will enjoy energy savings for years to come. The program was so successful, that the State Energy Office reprogrammed additional funding to provide discounts to everyone participating in the program, bringing the total program value from \$8 up to \$10 Million.

**Clay County** retailers sold 13 appliances through the Energy Star Appliance rebate program.



## Small Business Assistance

The ARRA provided tax breaks, increased depreciation of business assets, and incentives for hiring for small businesses through the tax law changes found in Part B of the Act. The Recovery Act also established direct aid programs through the federal Small Business Administration (SBA) and US Department of Agriculture (USDA). These programs provided grants, loans and loan guarantees to grant small businesses access to much-needed operational credit during 2009 and 2010.

**In Clay County** 2 small businesses received SBA loan guarantees worth almost \$12,500. According to the small businesses receiving these loans, the Recovery Act saved or created 5 jobs.



## CARS Program

The Car Allowance Rebate Program (CARS), more widely known as the 'Cash-for-Clunkers' program, provided an incentive for drivers of older, energy inefficient vehicles to upgrade to new cars. This program also provided a large economic impact in North Carolina, and North Carolina dealers received more than 18,000 trade-in vehicles through this program. North Carolina Car Dealers sold more than \$400,000,000 worth of new cars (recommended MSRP) through the CARS program. North Carolina drivers will save 172,130 miles per gallon through cars purchased through this program.

**In Clay County**, car dealers sold 19 cars worth \$430,000 through the ARRA CARS program.



## Environment and Natural Resources Programs

ARRA funded several programs to protect the environment, or to develop natural resources more efficiently. These programs ranged from environmental clean-up, such as leaking underground storage tank abatement and Brownfields programs, to EPA clean air grants, wildfire prevention grants, and revolving funds to build, expand, or overhaul existing water and sewer programs. These programs provided nearly \$150 million across North Carolina.

**In Clay County**, the Clay County Government received \$1 million in grants for water and sewer system improvements. The U.S. Forest Service contracted for more than \$1 million in improvements to public lands.



## Green Energy Programs

One of the goals of ARRA was to provide grants to help conserve energy and assist in the development of a green economy. The State Energy Office in the North Carolina Department of Commerce received large grants for energy conservation under the American Recovery and Reinvestment Act. These grants include the Energy Efficiency Conservation Block Grant (EECBG), funded at just under \$20 million, and the State Energy Plan (SEP), funded at \$70 million. The State Energy Office then used these grants to make awards to businesses, non-profits, and local governments for various purposes.

**In Clay County**, Hayesville received an EECBG grant of \$51,472 to upgrade lighting in five buildings, improve heating and cooling systems and install programmable thermostats.



## Safety Net Programs

Safety net programs are the category of ARRA funding that consists of programs designed to help populations made particularly vulnerable by the economic crisis. These generally include increases in existing programs, most notably the increase in both benefit level and duration of unemployment payments. Increases in the amount and duration of unemployment payments makes up the largest chunk of safety net programs funded through the Recovery Act, totaling more than \$3.5 billion statewide over more than two years. Safety net programs such as unemployment insurance and SNAP (formerly known as Food Stamps), not only benefit the recipient, but have a proven economic impact on a community.

**Clay County** residents received more than \$2.6 million in Unemployment Insurance increases during the 2 ½ year ARRA benefits increase. County residents also received \$972,906 in SNAP benefit increases, and \$795,000 in one-time payments of \$250 to social security recipients.

## Clay County Feature Story

### Clay County Works to Preserve Natural Resources with Recovery funds

Two of the primary goals of the American Recovery and Reinvestment Act were to preserve and create jobs, promote economic recovery, invest in infrastructure, and environmental protection that will provide long-term economic benefits. The Act authorized \$1.15 billion to the Federal Department of Agriculture's Forest Service to help reinvigorate the economy while restoring natural resources. Of this amount, \$650 million went to capital projects such as road, bridge, and sewer improvements on public lands. The programs funded under ARRA created jobs and invested in or leveraged investments in public lands for sustainable operations including reducing the environmental footprint of infrastructure and/or greener operations of administrative and recreation sites, roads, trails, and facilities.



The US Forest Service used its allocation of ARRA funds to have a positive impact on key partners including: states, tribes, small business owners, urban and rural communities; youth education and job training opportunities; and addressing other resource issues in ways to create more jobs that help transform community and rural economies. One of the programs funded through the American Recovery and Reinvestment Act was the development of sewer service to Jackrabbit Recreational Area in Nantahala National Forest.



The Nantahala National Forest in Clay County has one of the most scenic lakes in the Tennessee Valley Authority (TVA) system. Clay County Recreation Park and Jackrabbit Mountain Recreational Area are popular with families. Jackrabbit is located approximately 6 miles east of Hayesville, North Carolina. The Campground is located on a peninsula of Lake Chatuge, which is an impoundment of the Hiwassee River.

The 130 miles of shoreline around Lake Chatuge is surrounded by the nearby Tusquitee Mountains and "the Great Blue Hills of God," as the Cherokee called the Blue Ridge Mountains. The Chatuge Dam is 144 feet high, and the lake supports water sports and recreation. Sport fishing is popular at Lake Chatuge, both in the reservoir and in the Hiwassee River below the dam. More than 32 species of fish populate the lake. Other popular activities include boating, jet-skiing, swimming, fishing, and hiking. Local attractions include the Fires Creek area, Buck Creek rockhounding area, and the Georgia Mountain Fair which occurs in late July each year.

The US Forest Service contracted with Clay County to provide public sewer service to Jackrabbit Recreational Area. The project aims to install 26,000 linear feet of 4" sewer main and 2 sewer pump stations to transmit the flow from the campground to the Clay County water & sewer district's system. The project will bypass a failing treatment plant, located on Lake Chatuge. This will allow the closure of the plant, which discharges into Lake Chatuge, causing environmental damage. The contract with the US Forest Service is \$1.1 million. The project has been ongoing since mid-2010, and created 7 jobs in the last quarter.

## Appendix, Clay County breakout

Federal Agency	Program Title	Recipient name	Recipient role <sup>i</sup>	Prime Amount <sup>ii</sup>	Unique Sub Awards <sup>iii</sup>	Loans	Additional Economic Activity (not counted toward totals) <sup>iv</sup>
	Bonds		P			\$11,000,000.00	
	Cash for Clunkers		S		\$84,000.00		
	Very Low to Moderate Income Housing Loans - Guaranteed	Individuals	L			\$630,040.00	
Department of Agriculture	Supplemental Nutrition Assistance Program	Multiple Individuals	S		\$972,906.31		
Department of Energy	Energy Efficiency and Conservation Block Grant Program (EECBG)	Clay, County Of	S	\$0.00	\$51,472.00	\$0.00	
	Weatherization Assistance for Low-Income Persons	Jacky Jones Ford Of Hayesville	SV	\$0.00	\$49,456.00	\$0.00	
				\$0.00	\$49,456.00	\$0.00	
Department of Labor	Unemployment Insurance	Multiple Individuals	S		\$2,611,716.23		
Environmental Protection Agency	Capitalization Grants for Drinking Water State Revolving Funds	Clay, County Of	S	\$0.00	\$1,073,289.00	\$0.00	
Federal Highway Administration	Highway Planning and Construction	North Carolina Department Of Transportation	P	\$1,512,370.00		\$0.00	\$1,512,370.00
		Watson Contracting, Inc.	PV	\$0.00		\$0.00	\$1,312,664.92
Federal Transit Administration	Formula Grants for Other Than Urbanized Areas	Clay, County Of	S	\$0.00	\$93,353.00	\$0.00	
Forest Service	No CFDA for Contract type awards	Clay, County Of	P	\$1,180,319.00		\$0.00	\$1,180,319.00
		Ledford & Parker, Inc.	P	\$55,368.52		\$0.00	\$55,368.52
Idaho Operations Office	Energy Efficient Appliance Rebate Program (EEARP)		P		\$1,750.00	\$0.00	
Office of Elementary and Secondary Education	State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	Clay County Board Of Education	S	\$0.00	\$899,712.00	\$0.00	

	State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	Clay County Board Of Education	S	\$0.00	\$117,889.00	\$0.00
	Title I Grants to Local Educational Agencies, Recovery Act	Clay County Board Of Education	S	\$0.00	\$154,306.00	\$0.00
<b>Office of Special Education and Rehabilitative Services</b>	Special Education Grants to States, Recovery Act	Clay County Board Of Education	S	\$0.00	\$289,497.00	\$0.00
<b>Small Business Administration</b>	Loans	Fires Creek Smokehouse LLC	L			\$45,000.00
<b>SSA</b>	Social Security Economic Recovery Act Payments	Multiple Individuals	P		\$795,000.00	
<b>USDA</b>						
<b>Grand Total</b>				\$2,748,057.52	\$7,243,802.54	\$11,675,040.00
						\$4,060,722.44

<sup>i</sup> Recipient Role are as follows: P is a prime recipient; S is a Sub-recipient; PV is a vendor to a prime recipient; SV is a vendor to a sub-recipient; L is a loan recipient.

<sup>ii</sup> Prime Amounts are unique prime awards within a county. These are entities who have received funding directly from a federal agency, and are required to report directly to [www.federalreporting.gov](http://www.federalreporting.gov)

<sup>iii</sup> Unique Sub Awards are amounts that flow into a county from a source that is NOT directly from a Federal Agency. Generally these are funds awarded to the North Carolina State Government that have been directed to a local source.

<sup>iv</sup> Additional Economic Activity are economic activity attributable to a previous funding category. They may be a sub award by a prime recipient within a county, or a contract funded by one of the previous three columns. This economic activity is not counted toward the county total.